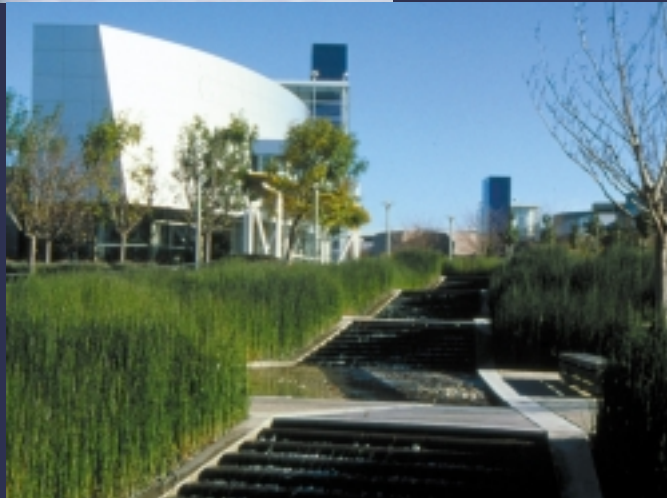


CITY OF MOUNTAIN VIEW, CALIFORNIA

# CONFERENCE HOTEL

DEVELOPMENT OPPORTUNITY



*request for qualifications*  
*march 2001*



IN THE SAN FRANCISCO BAY AREA'S DYNAMIC SILICON VALLEY

---

# TABLE OF CONTENTS

---

I.	SUMMARY OF THE OFFERING . . . . .	1
II.	BACKGROUND . . . . .	4
	<i>Mountain View</i>	4
	<i>North Bayshore Area</i>	5
	<i>Hotel Market</i>	6
III.	DEVELOPMENT OPPORTUNITY . . . . .	8
	<i>Site Description</i>	8
	<i>Development Potential</i>	9
	<i>Entitlements</i>	10
	<i>Historical Uses and Environmental Conditions</i>	10
IV.	MINIMUM BUSINESS TERMS . . . . .	11
V.	PROJECT OBJECTIVES . . . . .	12
VI.	SUBMITTAL REQUIREMENTS . . . . .	13
	<i>Transmittal Letter</i>	13
	<i>Development Team Summary</i>	13
	<i>Description of Relevant Experience</i>	14
	<i>Preliminary Development Concept</i>	14
	<i>References</i>	15
	<i>Demonstration of Financial Capacity</i>	
	<i>and Related Information</i>	15
VII.	SELECTION PROCESS AND CRITERIA . . .16	
	<i>RFQ Phase Selection Criteria</i>	16
	<i>Tentative Schedule</i>	16
	<i>Pre-Submittal Conference</i>	17
	<i>Questions and Correspondence</i>	17
	<i>Deadline and Delivery</i>	17

Photo Credits:  
Miles Keep Photography  
City of Mountain View, California

REFERENCE DOCUMENTS





*Regional Context*

# I. SUMMARY OF THE OFFERING<sup>1</sup>

---

*The City of Mountain View is pleased to offer a superb conference hotel development opportunity. Up to 14.4 acres are available for lease from the City to a highly qualified development team. Development of the site is intended to fulfill the City's long-standing desire for a full-service, four-star hotel with significant conferencing capability.*

*This RFQ document describes the development opportunity and the process that will be used to select a development team. Electronic copies of the RFQ and additional information are available on the City of Mountain View's Internet site at [www.ca.mtnview.ca.us](http://www.ca.mtnview.ca.us)*

## **Setting**

*Surrounded by Leading Silicon Valley Companies and Institutions.* Strategically located in Silicon Valley, the Mountain View area is home to many established high technology firms and respected institutions. There are over 56 million square feet of research and development and office space in Mountain View and the two adjacent cities of Palo Alto and Sunnyvale. Hewlett-Packard, SGI (formerly Silicon Graphics), Microsoft, Sun Microsystems, Intuit, Veritas, Verisign, and ALZA all have headquarters facilities or major campuses within Mountain View. Stanford University and NASA Ames Research Center are within six miles of the development site, and the San Francisco and San Jose International Airports are both within 30 to 45 minutes driving time.

*Adjacent to Spectacular Recreational Amenities.* A variety of open and recreational amenities complement the area's cluster of R&D and office campuses. Only a few blocks from the development site is Shoreline at Mountain View, a 700-acre regional park featuring a Robert Trent Jones II-designed championship golf course, a sailing lake, quality restaurants, and miles of hiking trails. The San Francisco Bay is less than one-half mile from the site.

## **Hotel Market**

*Local Hotel Market Performance Rivaling that of San Francisco.* Recent and historic performance of the hotel market that includes Mountain View is among the strongest in the San Francisco Bay Area, which is in turn among the strongest in the country. PKF Consulting tracks the Mountain View market area as part of the larger San Jose/Peninsula market. From January through December 2000, average occupancy in the San Jose/Peninsula market was 80 percent, rivaling that of San Francisco, which was 82 percent. The average daily room rate in the San Jose/Peninsula market was \$162, compared to an average daily room rate of \$170 in San Francisco.

## **Development Site**

*Located in a Premier R&D/Office Area.* The vacant development site is nestled amongst open space, dramatic natural vistas, and high-quality research and development and office campuses. It is within a planning area of the City known as the North Bayshore Area, and subject to the North Bayshore Precise Plan. The City of Mountain View has carefully guided the development of approximately 8 million square feet of R&D and office space within the North Bayshore Area, resulting in an environment of distinctive, state-of-the-art facilities. Public art and award-winning landscaping contribute to the North Bayshore Area's character as a premier location for business and recreation.

*Flexible Site Size.* The land available for conference hotel development is a portion of an 18.6-acre parcel known as Charleston East. Up to 14.4 acres of Charleston East can be made available for conference hotel development. This 14.4 acres includes up to 12.4 acres available without restriction, and 2.0 acres available only to "exceptional" projects as

---

<sup>1</sup>Information contained within this RFQ is believed to be accurate; however, no warranties are expressed or implied. The responsibility to conduct independent research and confirm the information lies with interested parties.



defined by the North Bayshore Precise Plan to be those that maximize conference space and publicly accessible areas. The portion of Charleston East not used for conference hotel development will be offered through a future RFP process targeting cultural/educational users. The City of Mountain View will begin a public process to determine preferred types of cultural/educational uses during the late spring of 2001. Uses considered in the past have included museums, interactive exhibits, and adult educational facilities.

### **Conference Hotel Development Potential**

*Most Environmental Clearances Already in Place.* The City of Mountain View has completed an extensive public review process for Charleston East. The site has already received all major required environmental clearances to develop a conference hotel of up to 300 rooms and 285,000 square feet. An additional 50,000 square feet of conference hotel space and 200 hotel rooms are possible for “exceptional” projects as defined by the North Bayshore Precise Plan to be those that maximize conference space and publicly accessible areas. Supplementary environmental review is expected to be required only in special cases, and would be restricted to unique issues not covered by the previous clearance under the California Environmental Quality Act (CEQA).

### **Entitlements**

*Few Remaining Steps for Full Entitlement.* Because of the extensive review process that was initiated and completed by the City of Mountain View, the steps required for project approval have been greatly reduced. The major remaining steps required for full project approval are architectural review, review by the City Zoning Administrator and City Council for a Planned Community Permit, and successful completion of building permit applications.

### **Minimum Business Terms**

- Long-term ground lease with no subordination of fee interest or base rent.
- Market-rate minimum base rent based upon a conference hotel of at least 200 rooms. Periodic adjustments to base rent, and percentage or participation rent based upon gross income.
- Payment of possessory interest tax in lieu of property tax.
- Performance benchmarks, with clear termination provisions for non-performance.
- Adequate assurances for completion of the project.
- City of Mountain View right to approve any assignment of the lease.
- No commissions paid to brokers by the City of Mountain View.
- Memorandum of understanding regarding labor-related issues.



## Selection Process

The process for marketing the site begins with this Request for Qualifications (RFQ), which will be followed by a Request for Proposals (RFP) issued to a small number of qualified respondents.

### Tentative Schedule

March 16, 2001	RFQ issued
April 3, 2001	Postmark/fax/email deadline for written questions
April 4, 2001	Pre-submittal conference
April 16, 2001	Responses to written questions sent to RFQ recipients
May 14, 2001	Qualifications submittals due
No later than June 26, 2001	Short list announced
No later than June 27, 2001	RFP issued
No later than August 28, 2001	RFP responses due (60 days after RFP issued)
End of September	Interviews
October 9, 2001	City Council selects developer for exclusive negotiations

### RFQ Phase Selection Criteria

- Qualifications and experience of members of the development team.
- Financial capability of development team.
- Compatibility of development concept with the North Bayshore Precise Plan and the City's project objectives.
- Size and quality level of proposed hotel and amount of proposed conference space.
- Strategy for integrating proposed project with existing uses and a future adjacent cultural/educational use.
- Capacity and intent to complete the project quickly.
- Acceptance of minimum business terms outlined in the RFQ.

## Questions, Correspondence, and Deadlines

All questions regarding the development opportunity or selection process must be postmarked, faxed, or emailed by April 3, 2001. Responses to questions will be sent to all RFQ recipients by April 16, 2001. Questions must be addressed in writing to Terry Margerum of Sedway Group, real estate advisor to Mountain View, with the subject line as indicated:

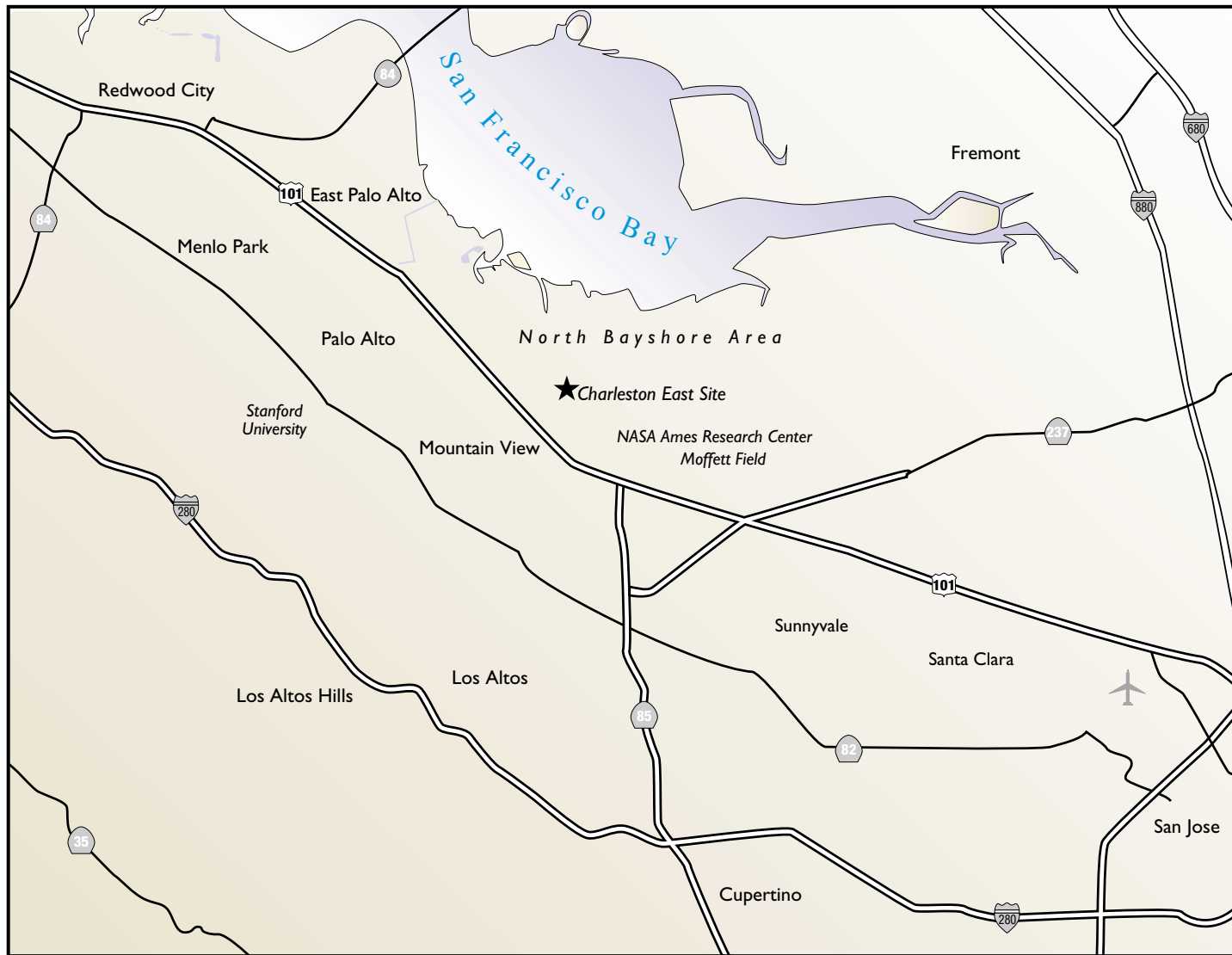
Mr. Terry Margerum  
Senior Managing Director  
Sedway Group  
505 Montgomery Street, Suite 600  
San Francisco, CA 94111  
Phone: 415-781-8900 Fax: 415-733-5530  
Email: [tmargerum@sedway.com](mailto:tmargerum@sedway.com)  
Re: Charleston East Conference Hotel RFQ

In order to receive consideration, qualifications must be received no later than 5 p.m., May 14, 2001 at the address above.

### Pre-Submittal Conference

Please note that the City of Mountain View will host an informational meeting and site tour for interested parties on April 4, 2001 from 10 a.m. to 12 p.m. This meeting will be held at the Plaza Conference Room, City Hall, 500 Castro Street, Mountain View. Attendance at this informational meeting is not required, but is encouraged. If you do desire to attend, please confirm your attendance by calling Robin Kish-Miller at 650-903-6379 or by emailing her at [neighborhood.secretary@ci.mtnview.ca.us](mailto:neighborhood.secretary@ci.mtnview.ca.us) by April 2, 2001.





---

Local Context



## II. BACKGROUND<sup>2</sup>

### Mountain View

The City of Mountain View, population 76,000, is located in the San Francisco Bay Area's Silicon Valley, a global center of technology and innovation. Stanford University and NASA Ames Research Center at Moffett Field are within just six miles of the development site. Many leading companies have chosen to locate in the vicinity, giving rise to development of over 56 million square feet of R&D and office space in Mountain View and the neighboring cities of Palo Alto and Sunnyvale. Users of this space are anticipated to be major sources of demand for new conference hotel development. Hewlett-Packard, SGI (formerly Silicon Graphics), Microsoft, Sun Microsystems, Intuit, Veritas, Verisign, and ALZA all have headquarters facilities or major campuses in the City of Mountain View.

*ALZA's corporate headquarters is an example of the high quality office and research & development space within Mountain View*



#### MOUNTAIN VIEW AREA R&D /OFFICE INVENTORY (SQUARE FEET)

	R&D	Office	Totals
Mountain View	14,207,147	2,761,026	16,968,173
Palo Alto	5,372,273	8,219,648	13,591,921
Sunnyvale	<u>21,013,674</u>	<u>4,914,874</u>	<u>25,928,548</u>
<b>Totals</b>	40,593,094	15,895,548	56,488,642

Sources: BT Commercial, Third Quarter 2000; and Sedway Group.

<sup>2</sup>Information contained within this RFQ is believed to be accurate; however, no warranties are expressed or implied. The responsibility to conduct independent research and confirm the information lies with interested parties.





## North Bayshore Area

The available development site is located in the North Bayshore Area of Mountain View, an excellent setting for a conference hotel near the edge of San Francisco Bay. The City of Mountain View has carefully guided the design and development of approximately 8 million square feet of R&D and office space in the North Bayshore Area. Distinctive, state-of-the-art facilities have resulted from a shared philosophy of quality architectural and landscape design among the City and the companies that have been drawn to the area. ALZA, SGI, and Microsoft have recently completed campuses in the North Bayshore Area.

A variety of open space and recreational amenities complement the North Bayshore's cluster of R&D and office campuses. Shoreline at Mountain View, a 700-acre regional park, is a few blocks from the development site. Amenities at the park include a Robert Trent Jones II-designed championship golf course, a sailing lake, quality restaurants, and miles of hiking trails. The nearby 25,000-person capacity Shoreline Amphitheatre offers a concert and event venue that draws people from around the San Francisco Bay Area and beyond for big-name performances. Shoreline Amphitheatre hosts approximately 40 shows per season attended by 700,000 people. State Highway 85 (six lanes) and U.S. Highway 101 (eight lanes) are the primary highways that serve the North Bayshore Area. Construction of major locally funded improvements to the interchange and exits of these two highways in the vicinity of the development site will commence in the spring of 2002. This planned \$125 million investment will simplify and expedite access to and from the North Bayshore Area. Improvements are scheduled for completion by the end of 2004.



*Shoreline Golf Links offers an  
18-hole Robert Trent Jones II golf course  
within a few blocks of the  
development site.*

## Hotel Market

### San Francisco Bay Area Context

The Mountain View hotel market area is within the larger San Jose/Peninsula market, which is tracked by PKF Consulting. PKF also tracks four other major Bay Area markets, including the San Francisco, San Francisco Airport, Oakland/East Bay and Marin hotel markets.

The San Jose/Peninsula hotel market is a consistently strong performer, second in the Bay Area only to San Francisco in terms of average daily rate performance. The table that follows provides summary information that illustrates the San Jose/Peninsula's relative market performance during the year 2000.

---

#### BAY AREA HOTEL MARKETS RELATIVE PERFORMANCE INDICATORS TWELVE MONTHS ENDED DECEMBER 2000

---

Bay Area Market	Average Daily Room Rate	Occupancy Rate
San Francisco	\$169.72	81.9%
San Jose/Peninsula	\$161.90	79.6%
San Francisco Airport	\$140.55	82.6%
Marin	\$136.91	79.3%
<u>Oakland/East Bay</u>	<u>\$114.31</u>	<u>75.3%</u>
Overall Northern California Average <sup>1</sup>	\$145.35	78.3%

---

**Note:**

1) Also includes the Monterey/Carmel, Central Valley, Sacramento, and other Northern California markets.

Sources: PKF Consulting, November 2000, and Sedway Group.

---

“The San Jose/Peninsula hotel market is a consistently strong performer.”



### Mountain View Market Area

The Mountain View hotel market area includes all or portions of the cities of Cupertino, Menlo Park, Palo Alto, Los Altos, Mountain View, Redwood City, Sunnyvale, and Santa Clara. Within this market area, there are seventeen higher quality hotels totaling over 4,750 rooms that would be primarily competitive with the type of hotel envisioned by Mountain View for the development site. The majority of these hotels participate in a regular survey of performance indicators conducted by Smith Travel Research. The performance of these hotels over the past several years is exceptional, as indicated in the table that follows.

<b>MOUNTAIN VIEW MARKET AREA PERFORMANCE OF COMPETITIVE HOTELS</b>					
	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000<sup>1</sup></b>
Room Nights Available	1,448,320	1,451,605	1,451,605	1,485,189	1,447,066
Average Occupancy	80.3%	79.8%	75.8%	75.8%	81.3%
Average Daily Room Rate	\$112	\$132	\$150	\$160	\$183

**Note:**

1) Eleven months ending in November. Full-year data was not yet available at press time.

Sources: Smith Travel Research and Sedway Group.

More detailed hotel market data is available to interested parties. The list of reference documents at the end of this RFQ provides information about obtaining a March 2000 hotel market study and a January 2001 market update by Sedway Group and Scott Hospitality Consultants.

### III. DEVELOPMENT OPPORTUNITY<sup>3</sup>



#### Site Description

The vacant development site is located at the northwest corner of North Shoreline Boulevard and Charleston Road, nestled amongst open space, dramatic natural vistas, and high-quality research and development and office campuses. The site is within a planning district of the City known as the North Bayshore Area, and subject to the North Bayshore Precise Plan. Roads and all standard infrastructure are already available to the site.

*Conference Hotel Development Site.* The land available for conference hotel development is a portion of an 18.6-acre City-owned parcel known as Charleston East (assessor's parcel number 116-21-049). Up to 14.4 acres of Charleston East are available for conference hotel development, including up to 12.4 acres available without restriction and an additional

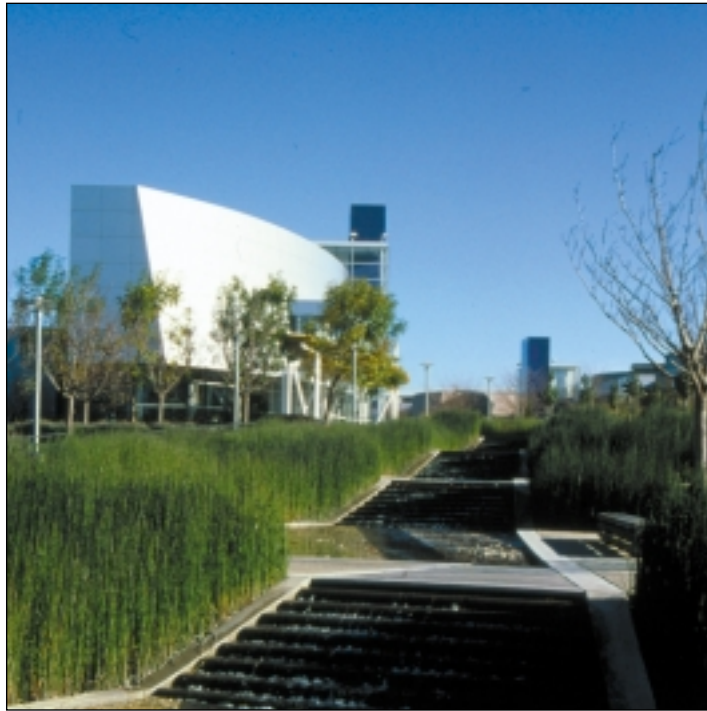
2.0 acres that are available only to exceptional projects. The North Bayshore Precise Plan defines an exceptional project as one that maximizes conference space and publicly accessible areas. The conference hotel developer has the flexibility of proposing both the amount of land to be leased and the location of the development site within the larger parcel. However, the City of Mountain View expects that a minimum of about 8 acres will be required for the project in order to meet key planning restrictions (height limits, landscaping requirements, etc.) and produce the quality of facility expected by the community.

*Adjacent Cultural/Educational Development Site.* A minimum of 4.2 acres of Charleston East have been reserved for cultural/educational uses. The City plans to offer these 4.2 acres plus any additional portion of Charleston East not required for conference hotel development at a later date. Prior to marketing the 4.2+ acres to cultural/educational users, the City of Mountain View will conduct a public process to set goals and determine preferences regarding specific user types. This public process is expected to commence during the late spring of 2001. Uses considered in the past have included museums, interactive exhibits, and adult educational facilities.

To maximize compatibility of the conference hotel and the cultural/education use, the developer of the conference hotel site will be expected to prepare a site plan during the RFP phase that considers a future adjacent cultural/educational use. Access, pathways, landscaping, placement of the conference hotel improvements, and other factors must allow for logical integration of a future cultural/educational use on the Charleston East site. In the RFQ stage, only preliminary ideas will be required for integrating the proposed conference hotel with an adjacent cultural/educational use.

## Development Potential

The North Bayshore Precise Plan of the City of Mountain View establishes the development potential of the conference hotel site. Key provisions of the plan include the following:



*Charleston Park, occupying 7 acres along the site's western edge, was one of 362 national winners of the American Society of Landscape Architects' Centennial Medallion Award in 2000, commemorating the Society's 100th Anniversary by honoring the nation's top parks.*

**Building Height.** The maximum building height is four stories, beginning at the first occupiable floor level above flood level. Building height limits allow for distinctive architectural features that extend above four stories. Buildings are expected to be designed with a variety of building heights that are sensitive to view corridors, surrounding development, and natural features.

**Landscaping.** A minimum of 30 percent of the area used for any development must be dedicated to landscaping.

**Building Area and Hotel Rooms.** The Precise Plan permits 285,000 square feet of conference hotel development, with the potential for an additional 50,000 square feet for exceptional projects that maximize conference space and publicly accessible areas. The Precise Plan does not specifically define the number of hotel rooms allowed. However, the environmental clearances approved in June 2000 were based upon a hotel with 300 rooms plus a maximum intensity cultural/educational use. The City's environmental consultant, Jones & Stokes, modeled the impacts of such a hotel.

In presentations to the City, Jones & Stokes concluded that the number of hotel rooms could be increased to approximately 500, depending on the ultimate nature of the cultural/educational facility that will be adjacent to the conference hotel. A project specific environmental clearance for a 500-room hotel could be granted administratively by staff provided that mitigation measures were followed and total traffic generated by the proposed conference hotel and adjacent cultural/educational use did not exceed 720 morning peak-hour trips and 303 evening peak-hour trips.

## Entitlements

All major environmental clearances for a conference hotel development with the parameters highlighted above have been approved under the California Environmental Quality Act (CEQA). On June 27, 2000, a Mitigated Negative Declaration was approved by the City Council. The relevant environmental documents are listed at the end of this RFQ.

All zoning and General Plan/Comprehensive Plan approvals for a conference hotel with the development parameters highlighted above were also approved on June 27, 2000 by the City Council.

Because of the extensive review process that was initiated and completed by the City of Mountain View, the additional steps required for project approval have been greatly reduced. The major remaining steps in the approval process include the following:

- Supplementary environmental review if the project exceeds CEQA project descriptions by more than 10 percent or has special design circumstances. The environmental review would be based upon the previously approved CEQA clearance and limited to any unique issues requiring additional review.
- A public hearing by the City Zoning Administrator regarding project design and the mix of uses (e.g., the mix of conference hotel and support retail/restaurant space). The hearing is required as a step in the approval for a Planned Community Permit. The Zoning Administrator will make recommendations to the City Council regarding approval of the Planned Community Permit.
- A public hearing by the City Council regarding project design and mix of uses (e.g., conference hotel and support retail/restaurant uses) in order to approve or deny the Planned Community Permit.
- Architectural review of project plans.
- Application and approval of building permits and any other project-related permits, such as subdivision of property, utility connections, etc.

As part of the approval process, the applicant will be expected to pay all normal planning, public works, and building fees. The City of Mountain View uses widely accepted standards to set fees applicable to the unique characteristics of each development.

## Historical Uses and Environmental Conditions

Since the 1940s, principal uses of the development site have included a mix of agricultural activities, residences, businesses, and parking. The adjacent regional park and golf course, Shoreline at Mountain View and Shoreline Golf Links, were developed over a closed municipal landfill. The Phase I Environmental Site Assessment and Phase II Environmental Investigation for Charleston East present detailed information about historical land uses and relevant environmental conditions of the site and its surroundings. Information about obtaining copies of these studies is included in the list of reference documents at the end of this RFQ.

---

<sup>3</sup>Information contained within this RFQ is believed to be accurate; however, no warranties are expressed or implied. The responsibility to conduct independent research and confirm the information lies with interested parties.





## IV. MINIMUM BUSINESS TERMS

---



*Mountain View City Hall*

The City of Mountain View plans to enter into a long-term ground lease and disposition and development agreement for the Charleston East site. In order to provide some background information for prospective tenants, the following section briefly describes selected minimum ground lease terms. In their submittals, prospective tenants will be required to indicate acceptance of these business terms, or identify areas of disagreement with an explanation and suggestion of an alternative way to address the issue.

- **Subordination**—The fee ownership and base rent will not be subordinated.
- **Lease Term**—The City of Mountain View will agree to a lease term appropriate to the proposed use and based upon market conditions. It is expected that the initial lease term will be 50 to 60 years, with possible extension options.
- **Rent**—Base rent is expected to represent a market rate return on a land value for conference hotel development of at least 200 rooms. Periodic revaluations and commensurate adjustment of base rent will be required. Participation or percentage rent will be based upon gross revenue or gross income.
- **Possessory Interest Tax**—The lessee will be expected to pay a possessory interest tax in lieu of property tax.
- **Performance Benchmarks**—All documents related to the transaction will contain time and performance benchmarks with clear termination provisions for non-performance.
- **Assurances**—The ground lease will include provisions for performance bonds, or other remedies to ensure completion of the project.
- **Assignment**—The City of Mountain View will have the right to approve any assignment of the lease.
- **Real Estate Commissions**—The City of Mountain View will not pay commissions to brokers in this transaction.
- **Labor Agreement**—A memorandum of understanding will be required between the Employer and the Hotel Employees and Restaurant Employees Union Local 19 prior to entering into a lease agreement with the City. The memorandum of understanding will be for the purpose of establishing ground rules for any organizing effort and to avoid picketing and/or other economic action at the Employer's Hotel.

## V. PROJECT OBJECTIVES

---

Respondents should carefully consider the City of Mountain View's objectives for a conference hotel project on Charleston East when crafting their responses. Key objectives include the following:

### **Sufficient Quality and Magnitude of Development**

Mountain View has a long-standing desire to be the home of a full-service, four-star hotel with significant conference capacity. The City therefore expects a high quality project that will be a source of pride for the community. A hotel of at least 200 rooms with at least 15,000 square feet of conference space is the minimum development likely to meet the City's vision. A development that maximizes the number of hotel rooms (300+ rooms) and amount of conference space (25,000+ square feet) is highly desirable.

### **Compatibility with Existing and Proposed Uses**

The proposed concept must fit well with the R&D, office, open space, and cultural/educational uses that already exist or are planned within the North Bayshore Area.

### **Provision of Community Benefits**

The project must benefit the public by providing publicly accessible open space, restaurants, and other amenities that are maintained by the project sponsor, or by facilitating other public goals, such as traffic mitigation or public art.

### **Financial Return to the City**

The conference hotel developer must present a realistic project concept with minimal contingencies. The combination of lease income, property/possessory interest taxes, transient occupancy taxes, and sales taxes must provide the City with substantial, long-term income.

### **Near-Term Development Potential**

The City's objective is to see a project built and operating within two to three years of selecting a development team. The development team must have the experience and capacity to implement the project in a timely manner.

### **Environmental Sensitivity and Sustainability**

The proposed development concept should incorporate environmentally sensitive design and construction and sustainable energy management. The North Bayshore Precise Plan highlights design measures in this regard and the Green Hotels Association of Houston, Texas ([www.greenhotels.com](http://www.greenhotels.com)) is a potential resource regarding sustainable hotel practices in general.

### **Minimum Potential for Economic Disruption**

The potential for economic disruption resulting from labor-related issues should be minimized.

“ Mountain View has a long-standing desire to be the home of a full-service, four-star hotel with significant conference capacity. ”





---

*Quality architecture and landscape design  
are hallmarks of development in  
Mountain View.*

## VI. SUBMITTAL REQUIREMENTS

---

While the City of Mountain View will accept all qualifications submitted within the stipulated timeframe, those that do not comply with all submittal requirements, indicate limited financial capability, or propose an inappropriate development concept may be disqualified without further evaluation.

The City of Mountain View is the sole and final decision-maker regarding selection of the development team, and it reserves the absolute right to reject any or all proposals. Individual submittals, except for the financial information submitted under separate cover, will not be returned. Please submit clear and concise responses with only the information requested below. Provide a table of contents at the front of the response.

1. Transmittal Letter
2. Development Team Summary
3. Description of Relevant Experience
4. Preliminary Development Concept
5. References
6. Demonstration of Financial Capacity and Related Information

No architectural drawings or specific business terms are required at this time.

“The City of Mountain View invites  
responses from highly qualified  
development teams.”

### 1. Transmittal Letter

The transmittal letter should include the following information:

- Name of the submitting company or entity.
- Legal structure of submitting company or entity (e.g., corporation, joint venture, limited partnership, etc.) and date of legal establishment.
- Name, title, address, telephone number, fax number, and email address of the person designated as the primary contact for the submitting company or entity.
- Names and relationships of all companies and entities included in the proposal (e.g., operators, developers, consultants, etc.).
- Statement of acceptance of the minimum basic business terms, or explanation of disagreement and alternative suggestions.

### 2. Development Team Summary

The City of Mountain View neither requires nor expects that all of the professionals that might eventually be involved in the conference hotel project be identified at this point. The development team could consist solely of a development company and potential operators at this time. However, to the extent that a more comprehensive set of team members can be identified (e.g., architect, general contractor), please do so.

Please provide the following information, where applicable, for each member of the development team. If the entity is a joint venture, provide information on each partner and a description of prior working relationships.

- Description of core business activities and mission.
- Number of years in business.
- Number of full-time employees.
- A description of the roles of key team members and one- to two-page resumes of relevant staff assigned to this project. If the proposing entity has already identified outside consultants or advisors to assist in the planning, design, negotiations, or other aspects of the project, please identify these consultants/advisors and briefly describe the nature and type of services to be provided.
- Supplemental materials such as company brochures, etc.



### 3. Description of Relevant Experience

Please provide a brief description of approximately five recent projects completed by the proposing companies, entities, or development team. Members of the proposed development team for Charleston East should have had a significant role in these past projects. For each project, please include the following:

- Project name and location.
- Project type (e.g., hotel, conference center, etc.).
- The number of hotel rooms and square footage of conference space.
- A description of the quality level (e.g., number of stars, guest services, business services), target markets (e.g., group, individual business traveler, leisure), and amenities (e.g., business tools, restaurants, tennis courts) of the project.
- Photos and site plans of the project.
- Current status of the project (e.g., construction status or number of years in operation).
- Names and roles of other companies, organizations, or partners involved in the project.
- Development cost and financing summary.
- List of lenders for the project, including contact information.
- A clear statement of the roles of members of the proposed Charleston East team in the project.
- Indication of whether the project involved a ground lease.
- Indication of whether the project involved a business relationship with a public agency and a description of the nature of any such relationship.
- Indication of whether the project involved labor agreements and a brief description of the provisions of any such agreements that were negotiated.

### 4. Preliminary Development Concept

Describe in brief narrative form and supporting tables, within five pages or less, the conference hotel development concept proposed for Charleston East. No site-specific plans or illustrations are necessary at this time. Please include the following information:

- Indicate the approximate amount of land, up to 14.4 acres, that would be required for the proposed development concept (taking into consideration that 30 percent of the area must be dedicated to landscaping).
- State the number of hotel rooms and amount of conference space (in square feet) included in the proposed concept.
- Describe the quality level (e.g., number of stars, guest services, business services), target markets (e.g., group, individual business traveler, leisure), and amenities (e.g., business tools, restaurants, tennis courts) of the proposed conference hotel.
- Provide preliminary ideas for integrating the proposed conference hotel with surrounding uses, and particularly with a future adjacent cultural/educational use. Access, pathways, landscaping, placement of the conference hotel improvements, and other factors must allow for logical integration of a future adjacent cultural/educational use.
- Provide an estimated development schedule, including all predevelopment activities, and any plans for phased development. The City of Mountain View has a strong preference for development of the proposed project within two to three years of selecting a development team. The schedule should assume that the City of Mountain View executes an option to ground lease and disposition and development agreement by the end of February 2002.

## 5. References

Provide references (including company/organization names, titles, telephone numbers, and email addresses) for individuals who can provide information related to the following items:

*Financial*—Identify at least two contacts that have provided members of the development team with financing of the magnitude required for the proposed project.

*Public or Governmental*—Identify at least two city or other public officials who have been involved with a project completed by members of the development team (e.g., planning directors, economic development directors, etc.).

*General*—Provide the names of up to two other contacts that could provide information about the experience and capability of members of the development team to complete the proposed project.

## 6. Demonstration of Financial Capacity and Related Information

Please provide the following and any other relevant information to demonstrate the financial capacity to undertake and complete the development proposed in the preliminary development concept. Submit this information under separate cover. All financial information will be treated confidentially. Sedway Group will review the material and return it to the respondent. It will not become a part of the public record. Please provide the following:

- Financial statements for the previous three fiscal years for the lead team members (e.g., developer, operator). Audited statements are preferred.
- Most recent annual report(s).
- List of any current non-performing or loan defaults in the past five years.
- Description of any instances in which a member of the development team or any named individual has been involved in litigation or other legal dispute regarding a real estate venture during the past five years. Include information regarding the outcome of the litigation or dispute.
- Information about instances in which any member of the development team has ever filed for bankruptcy or had projects that have been lost to foreclosure.





## VII. SELECTION PROCESS AND CRITERIA

---

The process for marketing the site begins with this Request for Qualifications (RFQ), which will be followed by a Request for Proposals (RFP) issued to a small number of qualified respondents. The RFP phase will request more detailed information and a deposit, including the following:

- Refined project description, including a conceptual site plan.
- Detailed business terms, including base rent, future base rent adjustments, and a formula for percentage rent.
- Preliminary statements of interest from lenders, if possible.
- Schedule of performance.
- \$50,000 good faith deposit, refundable to non-selected proposers.

The Mountain View City Council has ultimate responsibility for the selection process, with the assistance of City staff, Sedway Group, and other consultants as needed

### RFQ Phase Selection Criteria

In the RFQ phase of the selection process, emphasis will be placed on directly relevant qualifications and experience, financial capability, the general appeal of the development concept, and acceptance of basic minimum business terms. Main evaluation criteria are summarized below.

#### Qualifications, Experience, and Approach

- General qualifications of team members.
- Experience with similar projects.
- Quality of past projects.
- Capacity and intent to complete the project quickly.
- Experience with public-private projects.
- Experience with long-term ground leases.
- Track record of positive labor relations.
- Acceptance of minimum business terms.

#### Financial Capability

- Demonstrated ability to raise debt and equity for a project of the magnitude that is proposed.
- Strength of current relationships with financial institutions.
- Overall financial track record.

#### Preliminary Development Concept

- Compatibility of development concept with the North Bayshore Precise Plan and the City's project objectives.
- Size, quality level, and amenities of proposed hotel and amount of proposed conference space.
- Strategy for integrating the proposed project with existing uses and a future adjacent cultural/educational use.

#### Tentative Schedule

The following is the tentative schedule for the selection process:

March 16, 2001	RFQ issued
April 3, 2001	Postmark/fax/email deadline for written questions
April 4, 2001	Pre-submittal conference
April 16, 2001	Responses to written questions sent to RFQ recipients
May 14, 2001	Qualifications submittals due
No later than June 26, 2001	Short list announced
No later than June 27, 2001	RFP issued
No later than August 28, 2001	RFP responses due (60 days after RFP issued)
End of September	Interviews
October 9, 2001	City Council selects developer for exclusive negotiations

## **Pre-Submittal Conference**

Please note that the City of Mountain View will host an informational meeting and site tour for interested parties on April 4, 2001 from 10 a.m. to 12 p.m. This meeting will be held at the Plaza Conference Room, City Hall, 500 Castro Street, Mountain View. Attendance at this informational meeting is not required, but is encouraged. If you do desire to attend, please confirm your attendance by calling Robin Kish-Miller at 650-903-6379 or by emailing her at [neighborhood.secretary@ci.mtnview.ca.us](mailto:neighborhood.secretary@ci.mtnview.ca.us) by April 2, 2001.

## **Questions and Correspondence**

All questions regarding the development opportunity or selection process must be addressed in writing to Terry Margerum at Sedway Group, consultant to Mountain View. "Charleston East Conference Hotel RFQ" should appear on all correspondence. All questions must be postmarked, faxed, or emailed by April 3, 2001. Responses to questions will be sent to all RFQ recipients by April 16, 2001.

Mr. Terry Margerum  
Senior Managing Director  
Sedway Group  
505 Montgomery Street, Suite 600  
San Francisco, CA 94111  
Phone: 415-781-8900 Fax: 415-733-5530  
Email: [tmargerum@sedway.com](mailto:tmargerum@sedway.com)  
Re: Charleston East Conference Hotel RFQ

## **Deadline and Delivery**

In order to receive consideration, qualifications must be received no later than 5 p.m., Pacific Standard Time, May 14, 2001 at the address listed for Sedway Group. Five bound copies and one unbound copy of required items 1 through 5 must be submitted; these items will not be returned. One copy of the financial information in item 6 must be submitted under separate cover; this item will be returned.

Statements of Qualifications that are not received at the designated address before the specified deadline will not be accepted. Facsimile reproductions or electronic transmissions of Statements of Qualifications will not be accepted.

All copies of the submittal must be enclosed in a sealed envelope. The face of the envelope must reference "Charleston East Conference Hotel RFQ", and the name and address of the submitting organization(s). The City of Mountain View will not provide any pre-selection information concerning the status of submittals other than the acknowledgment that they were received.



---

## REFERENCE DOCUMENTS

---

The following reference documents are available on the City of Mountain's web site ([www.ci.mtnview.ca.us](http://www.ci.mtnview.ca.us)):

- *North Bayshore Precise Plan*, City of Mountain View. Adopted April 1994 and amended April 1995 and June 2000.
- *Initial Study for the City of Mountain View North Bayshore Precise Plan Amendments*, Jones & Stokes and Korve Engineering, March 2000
- *An Analysis of Market and Financial Feasibility of Hotel/Conference Center Use—Charleston East Site*, Sedway Group and Scott Hospitality Consultants, March 2000.
- *Mountain View Hotel Market Update Summary*, Sedway Group, January 2001.
- *Mountain View City Council Staff Reports*, June 27, 2000; December 12, 2000; and February 27, 2001.

Additional reference documents available in printed form only include the following:

- *Phase I Environmental Site Assessment*, Niland Consultants, May 2000.
- *Report of Results—Phase II Environmental Investigation*, Geomatrix Consultants, September 2000.
- *Geotechnical Investigation*, Treadwell & Rollo, July 14, 2000.
- *North Bayshore Precise Plan Program Environmental Impact Report*, Environmental Science Associates, January 28, 1994.
- *North Bayshore Area Streetscape Guidelines*, City of Mountain View.

Printed copies of any documents may be obtained by calling Ellis Berns, City of Mountain View Economic Development Manager, at 650-903-6306. A fee may apply for printed copies.





CONFERENCE HOTEL  
DEVELOPMENT OPPORTUNITY  
CITY OF MOUNTAIN VIEW

*march 2001*

